



APPENDIX C TO DIR CONTRACT NO. DIR-SDD-656

Service Order Agreement - Terms and Conditions

1. **Hardware Loan.** Subject to the terms and conditions of this Service Order, Alert Logic (AL) loans to Customer the Hardware for the purpose of enabling the Services. The Hardware is loaned, not sold, to Customer, for use solely during the term of this Service Order, and will remain the property of AL. Customer will use a reasonable degree of care to maintain and protect the Hardware. Customer will not modify, disassemble, decompile, reverse engineer, rent, lease, loan, transfer, or copy the Hardware (including any Software or firmware that is part of the Hardware). Customer assumes all risk of loss, damage, theft, or destruction of the Hardware while it is in Customer's possession or control or that of its agents, including any carrier, and Customer will reimburse AL for any costs of repair or replacement. Customer will keep the Hardware free of all security interests, liens, and other encumbrances.
2. **Fees and Payment and Taxes.** Fees shall be in accordance with Section 4 of the DIR Contract No. DIR-SDD-656. Payment shall be in accordance with Section 5.C. of Appendix A of the DIR Contract No. DIR-SDD-656. As per Section 4.E. of the DIR Contract and Section 151.309, Texas Tax Code, Customers under this Contract are exempt from the assessment of State sales, use and excise taxes. Further, Customers under this Contract are exempt from Federal Excise Taxes, 26 United States Code Sections 4253(i) and (j).
3. **Term and Termination.** This Service Order will commence on the date signed, and will continue in effect for the term indicated in the Service Order. Termination shall be in accordance with Section 8.B. of Appendix A of the DIR Contract No. DIR-SDD-656.
4. **Warranty Disclaimer.** THE SERVICES AND HARDWARE ARE PROVIDED "AS IS" AND AL MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND WHETHER EXPRESS, IMPLIED (EITHER IN FACT OR BY OPERATION OF LAW), OR STATUTORY, AS TO ANY MATTER WHATSOEVER. AL DOES NOT WARRANT THAT THE HARDWARE OR SERVICES WILL OPERATE WITHOUT ERROR OR INTERRUPTION. AL SPECIFICALLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, QUALITY, ACCURACY, AND FITNESS FOR A PARTICULAR PURPOSE. CUSTOMER WILL NOT HAVE THE RIGHT TO MAKE OR PASS ON ANY REPRESENTATION OR WARRANTY ON BEHALF OF AL TO ANY THIRD PARTY.
5. **Limitation of Liability.** THE TOTAL LIABILITY OF AL ARISING OUT OF OR RELATED TO THIS SERVICE ORDER WILL NOT EXCEED THE TOTAL AMOUNT PAID BY CUSTOMER TO AL PURSUANT TO THIS SERVICE ORDER. IN NO EVENT WILL AL HAVE LIABILITY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY OF THESE DAMAGES. THESE LIMITATIONS WILL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.
6. **Miscellaneous.** This Service Order will be governed by the laws of Texas without reference to conflict of law principles. Nothing herein shall be construed to waive the sovereign immunity of the State of Texas. Customer and AL are independent contractors, and this Service Order

is not exclusive. Assignment shall be in accordance with Section 3.D. of Appendix A of the DIR Contract No DIR-SDD-656. Any addendum referencing this Service Order is governed by this Service Order. This Service Order supersedes any addendum in the event of a conflict. This Service Order also supersedes the terms contained in any purchase order issued by Customer to AL. This Service Order does not affect the terms of any other service order between Customer and AL. All notices required under this Service Order will be delivered in person or by certified mail or overnight courier to the addresses set forth below, and are effective upon receipt. In the event of a conflict between this Service Order and the DIR Contract No. DIR-SDD-656, the DIR contract controls.

DIR Contract No. DIR-SDD-656 and this Service Order constitute the entire agreement between Customer and AL relating to the subject matter hereof. No waiver or modification of this Service Order will be valid unless in writing signed by each party. In the event of a conflict between this Service Order and the DIR Contract No. DIR-SDD-656, the DIR contract controls.

Customer	Alert Logic
Signature	Signature
Print Name	Print Name
Title	Title
Date	Date